

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Fourth Session
March 13, 2007**

The Committee on Government Affairs was called to order by Vice Chair Peggy Pierce at 9:02 a.m., on Tuesday, March 13, 2007, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Kirkpatrick, Chair
Assemblywoman Peggy Pierce, Vice Chair
Assemblyman Kelvin Atkinson
Assemblyman Bob Beers
Assemblyman David Bobzien
Assemblyman Chad Christensen
Assemblyman Jerry D. Claborn
Assemblyman Pete Goicoechea
Assemblyman Ruben Kihuen
Assemblyman Harvey J. Munford
Assemblywoman Bonnie Parnell
Assemblyman James Settelmeyer
Assemblyman Lynn D. Stewart
Assemblywoman RoseMary Womack

GUEST LEGISLATORS PRESENT:

Assemblyman Joseph Hogan, Assembly District No. 10, Las Vegas



STAFF MEMBERS PRESENT:

Amber Joiner, Committee Policy Analyst
Scott McKenna, Committee Counsel
Emilie Reafs, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Joe Edson, Field Organizer, Progressive Leadership Alliance of Nevada
Byllie Andrews, Nevada President, American Association of University Women
Diana Glomb-Rogan, LCSW, Legislative Advocate, League of Women Voters of Nevada
Julianna Ormsby, MSW, Nevada Women's Lobby
Joseph Turco, Public Advocate, American Civil Liberties Union of Nevada
Mark Nichols, Executive Director Nevada Chapter, National Association of Social Workers
James E. Keenan, Nevada Public Purchasing Study Commission, Minden
Richard J. Yeoman, Administrative Services Officer, Department of Transportation
Patrick T. Sanderson, President, Laborers' International Union of North America, Local 169, Retirees' Association
Gary Milliken, Associated General Contractors, Las Vegas Chapter
Shaun Jillions, Legislative Advocate, City of Henderson, Nevada
Peter D. Krueger, Construction Industry Coalition, Reno, Nevada
Berlyn Miller, Nevada Contractors Association, Las Vegas
John Madole, Executive Director, Nevada Chapter, The Associated General Contractors of America
Joe Serpa, Vice President, Q & D Construction, Inc., Sparks, Nevada
Evan Dale, Deputy Manager, State Public Works Board

[Call to Order, Roll Call 9:02]

Vice Chair Pierce:

Today we will hear one bill, A.B. 219.

Assembly Bill 219: Revises provisions governing public works. (BDR 28-199)

It was sponsored by Assemblyman Hogan so I will ask him to speak first.

Assemblyman Joseph Hogan, District No. 10, Las Vegas:

I am pleased to present legislation, which enables Nevada to make a major leap forward in expanding equal opportunity for all its citizens. Our fast growing

state is investing huge sums for construction of buildings, highways, and other public infrastructure. To get the maximum benefit from this investment, we must ensure that thousands of jobs created by that construction are shared with women and minority workers who make up nearly two thirds of Nevada's workforce.

For more than 30 years the federal government has tried to open construction employment to minority and female workers with limited success. Despite considerable efforts by those in the industry, relatively few women, African-Americans, or Asians have been able to establish themselves in the construction trades. The influx of Hispanic workers in recent years has increased their numbers and their representation. This bill will enable us to extend opportunities to other minority groups and to women.

Despite the lack of useful workforce diversity statistics, data compiled by the Nevada Department of Transportation (NDOT), the one State agency which annually surveys the workforce employed by its contractors, indicate that women have less than 1.5 percent, African-Americans have less than 2.5 percent, and Asian workers have less than 1 percent of the available jobs in the construction trades workforce on NDOT's projects. Those statistics were for last year, and it was not an unusual year. I have had occasion to look at those annual reports for quite a number of years and found these are typical numbers. This bill is intended to continue the progress and make jobs more available to women and minorities.

The job opportunities in Nevada construction have never been greater than today. Well over 10 percent of all private employment in Nevada is in construction. For every 1 percent increase in construction jobs that we can open to minorities and women, over 1,000 jobs become available. If we can find a method to connect local young people who are not planning on attending college with the great demand for construction workers, we can reduce out-of-state recruitment and train more of our own Nevada workers for construction careers. Fortunately, there is such a method, and it works.

The first use of this method was on a large federal construction project. It was so successful that women's participation rates went from the usual 1 percent to over 8 percent of all work during the course of that project. Minority representation increased to approximate each group's percent of the overall workforce. The project became the best integrated federal construction project in history. It won the US Secretary of Labor's Equal Opportunity Employment award for that year. As the March 6, 2007, letter from the U.S. Department of Labor Women's Bureau ([Exhibit C](#)) makes clear, this technique has been used successfully and continues to be on many large federal projects today.

Just as important as the number of jobs obtained was the opening of regular communication and recruitment cooperation between the industry and the community organizations, which can refer qualified candidates. These new channels led to effective cooperation in recruitment and referral, community involvement in pre-apprenticeship training and greater availability of construction careers to minorities and women.

Quite surprisingly, this successful method is simply and virtually cost-free. Instead of government attempts to enforce imposed goals and timetables, the matter is addressed locally at the project level, by the contracting agency, the contractors, and community representatives all working together. The game plan has just two components, a single monthly meeting and a simple report of each contractor's employment the prior month. Having personally participated in dozens of these meetings and having reviewed hundreds of these monthly reports, I can assure you that the meetings are usually completed in about an hour, and the monthly reports can be completed on less than a half-page of paper.

Each time this recruiting technique has been used for a large public construction project, it has proved to be highly effective. The monthly meeting brings together employers in need of workers, community members familiar with the local neighborhood's active training programs, and other sources of qualified applicants.

To be accepted by the agencies and contractors, this must be a simple, burden-free procedure. Let me itemize the steps already taken to reduce any burdens. First, only our two largest counties will be affected by this requirement, and second, only very large public projects exceeding \$25 million will be affected. The remaining 95 percent of contracts will not be touched by these requirements. It excuses subcontractors who have less than 1 percent of the total project value. We would hate to see a small contractor who needs a small workforce for a short time have to pick up additional meetings.

It also excuses subcontractors when they are not actively engaged on the project. We know that some subcontractors arrive in the beginning, do their work, and are not seen again, so then they would not have to participate in the meetings when they are inactive. I will be working with the Labor Commissioner to insure that the monthly report is as simple as it can be. It can be about three lines of data, showing the minority and female make-up of the workforce of that subcontractor. There is the flexibility to skip a monthly meeting provided work is suspended or stops for a period of time. This bill does not impose goals or timetables, nor penalties for non-attainment of any

particular level of participation. This really is not about enforcement or goals. It is about bringing together the people who can help refer qualified applicants, and it has worked spectacularly in each of its applications. I am very happy to offer this plan and to help make it work for the Legislature and the people of Nevada.

You will surely hear some testimony that achievement of equal opportunity for Nevada's minorities and women is an admirable goal, but not really quite worth the effort to make a report and attend a monthly meeting. The fact is that these are very light requirements. The fact is that this is not a burden, but an opportunity, an opportunity as an American to participate in keeping our nation's promise of equal opportunity for all. Employers should not complain about a burden, rather they should step up and embrace the opportunity to advance the cause of fair employment. Assembly Bill 219 represents an opportunity to open up one of our largest industries to Nevadans who have not been able to participate. It uses a method proven not only to be effective but extremely low in cost and burden. If you ask the management of any construction firm about its greatest challenge today, they will tell you that finding enough workers to do the available work is probably the toughest. The recruiting technique provided in A.B. 219 will respond to this challenge and put more local workers on the job. The construction contractors will find new sources of applicants in our communities and achieve better diversity levels in their own workforce, possibly at a lesser cost than they are now expending on recruiting efforts. Community organizations will be strengthened by their participation with government and industry in finding, motivating, training, and placing their people in well paid apprentice and career positions.

The success achieved under this legislation can make Nevada a leader in promoting equal opportunity for all its workers. It can also enable us to move more citizens from public assistance to self-sufficiency. Many of Nevada's needs in public safety, education, and other fields are extremely costly. This advance in fair employment is virtually cost free. It is an opportunity we cannot afford to miss.

Some Committee members will recall that this bill was first presented in the 2005 Legislature; it passed the Assembly with 81 percent of the vote. I urge you to reaffirm our commitment to fair employment by passing this bill this year. I will strive for more success in persuading our associates in the Senate to share our commitment to equal employment in America.

Assemblyman Munford:

I know that you fought for this very diligently last Session. I think diversity is the new euphemism for affirmative action. If it did pass in the Senate, and if

these different trade unions did not comply, would they be subject to civil suits and could they be charged with disobeying and disregarding the law?

Assemblyman Hogan:

Thank you, Assemblyman Munford; you give me an opportunity to clarify several things. You made reference to the building trades unions. My experience working with the building trades is that they have been working very diligently with their apprentice programs to open up successful channels and recruiting methods in the schools and communities. It is challenging. I am not criticizing the world of construction because progress has been made, the people I work with are very sincere, and it is just a matter of the pace. Without putting a strain on anyone, the contractors meet with the community to open up channels that had not been previously found. Each of the applications on federal projects accomplished that. When the contractor comes to the monthly meeting and his statistics indicate that he does not have any women or minorities on the job, a dialogue opens, particularly with members of those communities who can help him find some people. For example, they may know several women who have just come back from Iraq and are trained drivers or trained mechanics. People in the communities know who has skills or is ready to start an apprenticeship. For all the good effort of employers and unions, this method has proven to provide additional avenues to find additional local people. The income they subsequently earn stays in their local areas. This does not put a burden on the apprentice programs or the trade unions, save that they will probably get more requests from contractors with women and minorities included among the referrals. The figures from the road building industry for 2006 indicate that there is a lot of room for improvement. This system just makes it easier to find people, get them hired, and improve our diversity statistics.

The other thing that you asked was about enforcement. This provision sets up a mechanism for getting people on board. It has no enforcement component except if a subcontractor should refuse or totally fail to provide the monthly report or attend the meetings. Over time the agency could withhold payment. If it was an NDOT project, NDOT could withhold payment. When speaking with NDOT they said to be sure to leave in the word "may", so that they had the option, if someone misses a report or meeting, to punish them or not. There are other ways to bring complaints, such as through the Equal Employment Opportunity Commission (EEOC).

Assemblyman Munford:

I want to commend you for taking on this effort by yourself. Apprenticeship programs would be great in my district because young people today are so concerned about money. If they do not have opportunities to make money,

they turn to crime. I hope that this bill passes this time, and if you need any assistance you can call on me.

Assemblyman Settlemeyer:

I have a question about an experience that I had. A friend of mine is an Indian who never liked stating her ethnicity. She said that it was no one's business but her own. How would they [the employer] determine ethnicity? Would it be from the form when hired on? Or would they be guessing?

Assemblyman Hogan:

The normal way of determining is to ask the person, but there will be a small minority of individuals who may choose to not identify. The fallback for the employer is then visual. As an employer, I would want to identify the minorities and women I recruited for. Maybe she was referred to me by a community organization. I am entitled to be recognized and take credit for having a minority employee.

Assemblyman Settlemeyer:

Her husband lost several federal jobs, so he registered the business entirely in her name. He then got all the jobs because he attached gender to bids because of the requirements that some percentage of bids have to be from minorities or women.

Do the requirements in this bill apply to all contracts, including federal, or only State ones?

Assemblyman Hogan:

This bill would apply only to state projects over \$25 million. It should not have any spillover effect anywhere else. The behavior you have described deals with a whole different federal requirement which has to do with minority ownership of contracting firms.

Assemblyman Beers:

How accurate does the report need to be? What if the contractor has to visually identify his employees?

Assemblyman Hogan:

In the operation of this program over a number of years, the report by the contractor or subcontractor is given full faith and credit unless there is a reason to doubt the accuracy. There is an expectation, as is with the Health and Safety Report, that subcontractors are part of a team and will do their best to give accurate information. In all of the cases that I have worked with, I cannot recall a case where there was the feeling that a contractor was purposely trying

to be misleading. It is also verifiable because the subcontractor at any given time has a limited number of individuals on site, and the foremen or other supervisors would be able to verify that information. If a question is raised there are reasonable ways to deal with it between the contracting agency, the contractor, and the subs.

Vice Chair Pierce:

Is there any evidence, other than anecdotal, of a movement by Americans not wanting to fill out the ethnicity box on the forms they fill out?

Assemblyman Hogan:

One does occasionally hear about individuals who feel that it is a private matter, but I have not heard anything about a movement.

Vice Chair Pierce:

I will call up people in support of the bill.

Joe Edson, Field Organizer, Progressive Leadership Alliance of Nevada (PLAN):

We are firmly in support of A.B. 219. We have worked with a great number of disadvantaged populations in our various member groups and we have done a number of economic studies on everything from living wage to impacts of economic policy in the State. We support anything that helps get members of minority communities and women into higher paying jobs like construction.

Some of you may recall our report entitled "Working Hard, Living Poor" from 2001, which stated the living wage for a single person in Nevada to be about \$8 an hour, and \$18 an hour for a two-parent, two-child household. The majority of jobs in the State of Nevada pay far less than those wages to support families in this State. The construction industry is a rare exception. PLAN, as diverse a coalition as we are, has had trouble finding qualified applicants from minorities to fill some of our staff positions. It takes a lot of networking and outreach to find qualified candidates. Anything that helps an employer bring in a more diverse workforce is what we are supporting.

Byllie Andrews, Nevada President, American Association of University Women, (AAUW):

American Association of University Women (AAUW) believes that women should have entry into non-traditional jobs because it increases their earning potential, helps close the pay gap between the genders, and helps women become economically self-sufficient. For those reasons, the AAUW supports A.B. 219.

Diana Glomb-Rogan, LCSW, Legislative Advocate, League of Women Voters:

We strongly support this bill. We have a long history of supporting similar efforts. The League believes that government has the responsibility to provide equality of opportunity for education and employment. In addition we believe that government contracts should be withheld from businesses and industries that discriminate in employment. Unfortunately it often takes this type of intervention in order to force employers to create an open playing field. This bill provides a very gentle approach to addressing the problems. We would like to thank the sponsors of the bill and we urge a Do Pass.

Julianna Ormsby, MSW, Nevada Women's Lobby:

[Read from prepared statement, ([Exhibit D](#))]

Joseph Turco, Public Advocate, American Civil Liberties Union (ACLU) of Nevada:

The ACLU supports the bill. The data that would be collected is critical. There are people who say there is no workplace discrimination and there are people who say that it is widespread. There have been discussions in the past about workplace discrimination but that was putting the cart before the horse. We cannot have an intelligent conversation about workplace discrimination in Nevada without this kind of data.

Assemblyman Munford:

Julianna Ormsby is a former student of mine from Bonanza High School in a U.S. government class, so I am very proud to have her here today.

Assemblywoman Kirkpatrick:

I have a statement. Ms. Ormsby, last year the Girl Scouts partnered with the trade unions, who paid \$26,000 for a building odyssey. It was a two week program. We taught the girls how to pour cement, how to build frames, and other skills. We had 46 girls participate, and every one of those girls is currently in the union. This program is already in place for next summer.

Julianna Ormsby:

I am also aware of a couple of organizations in southern Nevada that are working to train women to become employed in these fields. Nevada Partners, headed by Senator Horsford, who, I believe, will be supporting us on this bill, has a construction program specifically geared towards women and people of color. The Community College of Southern Nevada (CCSN) has recently started a program through its reentry department. We are currently building a labor pool that is going to be available; it is a matter of connecting those in the labor pool with these job vacancies.

Mark Nichols, Executive Director, Nevada Chapter, National Association of Social Workers:

We are here to support this valuable legislation. One of the core values of the Social Work profession is equal access and equal opportunity to the benefit of our economic system. This bill moves in that direction.

I had a business career, part of which was spent in the audit profession, and one of our maxims there was, "You do not respect that which I do not inspect." If we are asking employers for those numbers, they realize that minorities and women in the workforce are items that are important to the people of Nevada.

James E. Keenan, Nevada Public Purchasing Study Commission:

I am employed as the Douglas County Purchasing Manager, but I am here solely to represent the Nevada Public Purchasing Study Commission. Last week, my colleague Ted Olivas gave you a bit of information on our group, and I would like to give you a little more.

We are a Statutory Commission chartered by NRS 332.215 (*Nevada Revised Statutes*) to make recommendations to the Legislature regarding governmental purchasing laws. We work for you, whether in session or not. We have approximately 100 public employees as members of our group, employed by over 50 municipalities around the State, in purchasing and related fields. Approximately 30 percent of our members hold advanced certifications in their professions, an example of which is a Certified Purchasing Manager, which is a more difficult certification than a Certified Public Accountant (CPA). Therefore, there is a good knowledge base when we are here to address purchasing issues.

In regard to A.B. 219, Assemblyman Hogan was correct when he said that others will say that this is an admirable program. We agree and know that it is an important concept. Our concern is that it is misplaced. We do not believe it belongs with the purchasing and contractor function at the time they are trying to solicit, evaluate, award, and administer a complex construction contract.

I was a federal purchasing manager for 20 years. I had considerable experience in similar programs: 8A contracts (Small Business Administration's Mentor-Protégé program), EEO, and so forth. In those cases, I, as a purchasing manager, had expertise available to me either on staff or through the other federal agencies in this rather complex area. We have that same level of expertise available from public purchasing managers here in the State of Nevada.

Although A.B. 219 initially talks about two counties and a \$25 million threshold, we are concerned that those thresholds may be lowered in the next session. In

addition, the NRS chapters that we are concerned about are those where counties have a population threshold, it is also assumed that all of the municipalities within those counties' borders have that same threshold. So even though it appears to apply to only two counties, it would apply to all of the municipalities within those counties, at least on a customary basis. There are a number of specific points within the bill itself, which I have addressed in a handout to you ([Exhibit E](#)).

Two of the Assemblymen have raised the issue: what happens if an individual does not declare or misrepresents or what have you. Our point is that the purchasing manager and the contractor are the least able to make that determination. This is because it is not our field of expertise.

The bill mentions a meeting or meetings. While \$25 million dollars is a lot of money, it is conceivable in a large county that there may be more than one \$25 million project. Is that more than one meeting per contractor? How will all of those details be worked out?

The bill, as we read it, calls for the withholding of payment to a contractor for his failure to turn in reports or attend meetings. I realize there is some flexibility, but we have several concerns. Generally speaking, contracts are not to be punitive in nature; they are for the performance of work or the avoidance of it. They are rarely punitive. Secondly, my colleagues and some of your colleagues believe that we are almost in a crisis state when it comes to the availability of good bidders to bid on public works contracts. When you talk to companies who do not want to bid they will tell you that "It is not worth the effort, there are too many hoops to jump through." The more administrative requirements we add to the bid that goes out, the fewer bids we will receive. I know first-hand we have had to cancel projects because we did not get any bids. That means no one gets work. If you put a requirement in this bill that if a contractor did not attend meetings, his retention money could be withheld, he might have second thoughts because he might not get paid even if he did the work. Although the intent of the bill is good, we are concerned that it does not belong within the purchasing and contracting functions as a primary responsibility.

The federal model has other agencies, organizations, and departments that provide the necessary expertise to make these programs successful. We are concerned that it does not belong in the purchasing and contracting function, and it may do more harm than good in just that area. By discouraging bidders, we are not helping ourselves or anyone else.

Richard J. Yeoman, Administrative Services Officer, Department of Transportation:

I signed in as neutral. NDOT has reviewed the bill and we will continue, as we have in the past, to work with Assemblyman Hogan, to continue to advance diversity in the construction workforce.

Patrick T. Sanderson, President, Laborers' International Union of North America, Local 169, Retirees' Association:

I also wanted to be on record as neutral. We do not want anything coming back against the contractor by trying to tell contractors that they are going to meet at a specified time and turn in reports, when these projects are usually run by one person who is tied to the job on-site, and cannot make the meeting.

I spent over forty years in the Laborers' Union; I have worked side by side with every minority. My Vice President of Retirees' is a black gentleman by the name of Robert Perry, the President of the Retirees' in Las Vegas is Oscar Fulton, who is also black and the Vice President is Hispanic. We are out everyday trying to recruit minorities. We go out of our way to try to help them. I used to go down where they were taking the flagging classes for the State and would hand out my card and say "If you really want to go to work, and have pride in what you do, and receive health benefits and a pension, I would like to help you." They had my home number, my cell phone and the union hall number.

I did not know what kind of restrictions were going to be put in. The bill will most likely not work the way that you want it to. Anyone who has a better way of recruiting, we would be happy to hear from them and help. We do not think that this is the proper channel, the way it currently appears.

Assemblyman Goicoechea:

Typically, a contractor or subcontractor supplies all of that information during the bid process. When you start talking about a \$25 million project, you could have a large number of subcontractors, so it would be cumbersome if you had to require 20 or 30 people attend the meeting. Also if they did not attend, are we going to retain part of the payment against the subcontractor or would the general contractor be held accountable?

Assemblyman Beers:

[To Mr. Keenan] In your handout, you very carefully went through the sections and paragraphs that concerned you. The things that I would like to see are potential solutions. What changes would you propose to this bill to make it work for you?

James Keenan:

I thought about that last session when they proposed A. B. No. 210 of the 73rd Session, which is now a joint resolution on the same subject. I think a program like this could be quite successful if you had resources similar to the federal level. I do not mean a full blown Small Business Administration (SBA) or EEOC, but some office or agency that is knowledgeable and has the expertise in minority recruitment. I do not have the expertise as a purchasing manager, nor do most construction contractors. If there were another agency or office available in the State of Nevada to provide that kind of expertise, I think such a program could be successful. In my experience in federal procurement, in many cases I attended meetings where procurement was determined to require, demand, or urge more minority businesses. The experts came and furnished lists to fill those requirements.

Our concerns are that purchasing personnel do not have the resources or the expertise to make these decisions. If someone could provide those resources, then the program could work well. We also have selfish reasons, we are not getting bids. We have public works contracts that we have to cancel because the contractor says there are too many administrative requirements, or they are short of help, or they are too busy in the commercial sector. We want things that give us more bidders.

Assemblyman Beers:

No one gives an answer that in depth without something in the back of his mind. Do you have an agency that you are thinking about?

James Keenan:

Yes, I have suggested the Labor Commissioner, Michael Tanchek, for a specific reason. I am not an expert on all of the state agencies that the State of Nevada has. I know something about the Labor Commissioner's Office because I deal with his office. I know that he has jurisdiction over apprentice programs, minorities, wages, and so on.

It needs to be statewide because different municipalities might be working with the same contractor and be treating them differently based on internal policies. Then you have conflict and the bidder does not know what to do. With the due respect to Mr. Tanchek, those were my original thoughts in the last session, when we discussed A.B. No. 210 of the 73rd Session.

Vice Chair Pierce:

Do \$25 million projects and higher go without bids?

James Keenan:

As purchasing manager for Douglas County, I do not see many of those. I suspect at the \$15 million, \$25 million or \$50 million bids, you get bids from the bigger contractors. Part of my concern is that the smaller projects, the \$2 million or \$5 million contracts are not getting bids from good contractors.

Patrick Sanderson:

On every \$25 million job that exists to date, there are daily or weekly meetings with the contractors, with whatever agency is contracting the job. There could be the required monthly meetings for the minority reporting at the same time.

Gary Milliken, Associated General Contractors, Las Vegas Chapter:

Many of my comments will be similar to those from last session. Recalling yesterday's discussion on A. B. 140, there will be difficulty finding contractors who will bid on public works projects, especially with additional required paperwork. The more impediments put in the way, the fewer good companies will bid on projects.

The main issue is the availability of the workforce. It was mentioned yesterday that the average age of members of one of the trade unions is 46 years. I read in an article, that for every three people that are retiring from the construction industry only one is replacing them. There are some job sites that are working their employees 7 days a week, 12 hours a day. There is such a great need for people to get into the construction industry, but they have to have skill. The Carpenters' Union's apprenticeship program is 61 percent minority. Everyone is trying to get people involved in the construction industry. Some of the unions are recruiting in the Midwest. Last session you had a bill on apprenticeship and training of crane operators from Assemblywoman Smith. Not a lot of people are taking advantage of this program. Some of the crane operators in Las Vegas were recruited from Texas.

Section 10, on withholding payment, is a real problem. On public works projects, you do not always get the same check every week. Money might be held back to make sure that the change order is approved and then given during the next pay period. The bill here creates a situation which will harm the contractor and the workers.

The City Center project will have 7,800 jobs; compare that to the new \$4 billion Echelon project. Where are we going to find enough workers?

Shaun Jillions, Legislative Advocate, City of Henderson:

We participate in the Public Purchasing Study Commission, so I echo Mr. Keenan's comments. I support his suggestions for solutions.

Assemblywoman Parnell:

I am compelled to mention career and technical education the reason we need to build regional technical high schools. Academy for Career Education (ACE) Charter School in Washoe County, which teaches buildings and trades, has been a success. Career and technical education is the answer to part of the problem of getting young people into the trades. There are two bills being heard in Ways and Means on Monday.

Peter D. Krueger, Construction Industry Coalition:

We are a group of subcontractors, both union and non-union. We are viewing this bill as a reporting bill in contrast to a recruiting bill. We agree with the comments of the members of the Committees and some of the witnesses that said that recruiting is the key to this bill. Apprentice programs among our members are crucial to making the program work from the beginning. Vocational education that public bodies, school districts, and unions can support is essential to attracting young people to the trades.

Berlyn Miller, Nevada Contractors' Association:

We are in opposition to A.B. 219. All of my members are signatory contractors, which means that they are all union contractors. All of their employees are referred out of the union, therefore, I agree that recruitment is crucial for the unions. The only jobs that might get created under A.B. 219 are for those who write reports and attend meetings. There have been complaints from those in public agencies that they get only one or two bids for jobs, and one of the reasons for that is all of the necessary paperwork. Another problem is the scarcity of employees.

John Madole, Executive Director, Associated General Contractors of America, Nevada Chapter:

It seems as though we are treating the symptom rather than the cause. Assemblywoman Parnell mentioned the ACE high school, which has 185 students, of which 25 are young women. By adding another burden on contractors and withholding payments is not going to solve the problem. We worked hard with Assemblyman Hogan last session to come up with a non-punitive solution. People that work on these jobs will tell you, "One more meeting, one more report, one more way to have your money withheld." If you keep stacking these things up, contractors will stop bothering to bid. We would be willing to work something out in an attempt to meet these goals without burdening contractors doing public works.

Joe Serpa, Vice President, Q & D Construction, Inc.:

The past three summers, our requirement has not been skin color or gender, but can you fog a mirror? That is how hard it is to get workers. If they would come to our door, we would hire them.

We are a union contractor, and we accept whomever the union hall sends us when we put in our request. If we were found in non-compliance on a job, we could not change that situation because when we call the union, they send us the person who is next on the list. The list is not by gender or ethnicity. Through the Joint Apprenticeship Committee (JAC) programs, we put out the call to all the schools, but we cannot get people to come.

Vice Chair Pierce:

In terms of being out of compliance with this bill it is not for the level of hiring, but rather about not filing the one-half page report once a month. That is what compliance means. I do not want to give the impression that compliance means hiring a certain number of women or a certain number of people of an ethnicity.

Evan Dale, Deputy Manager, State Public Works Board:

The State Public Works Board is neutral on this bill, but we would like to note that our agency will be impacted financially. Seven projects in the 2007 Capital Improvement Program will be affected by this bill. The bill will require collecting and maintaining upwards to 1,000 of these reports and scheduling and attending 80 to 100 meetings. For those reasons we believe that we will require at least one additional position.

Vice Chair Pierce:

Is there anyone else who would like to testify on A.B. 219? [There were none.]

There is a statistic that came out recently stating that 51 percent of the women in this country are living without a spouse. That means that most of the women in this country support themselves, and some probably also support children. We heard this morning about the problems of getting people to come into the trades. This bill is a nice effort to work on two problems simultaneously. I hope that we can have some creativity about bringing people into the trades, and I think this bill is an effort in that direction. I am closing the hearing on A.B. 219.

Is there any public comment? Are there any comments from the Committee members before we adjourn? [There were none.]

[Meeting adjourned 10:21]

RESPECTFULLY SUBMITTED:

Emilie Reafs
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: March 13, 2007

Time of Meeting: 9:00 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
<u>A.B.</u> <u>219</u>	C	Assemblyman Hogan	Letter from U.S. Department of Labor
<u>A.B.</u> <u>219</u>	D	Julianna Ormsby	Prepared Statement
<u>A.B.</u> <u>219</u>	E	James Keenan	Handout